

Message Text

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ORIGIN EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-10 ADP-00 TRSE-00

IO-13 AID-20 XMB-07 FRB-02 SS-15 NSC-10 CIAE-00

INR-10 NSAE-00 RSC-01 L-03 OMB-01 CIEP-02 /168 R

66650

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EA/PRCM-MR. ROMBERG EA-MR. GEBER

EA/ROC-MR. MOYLE IO/UNP-MR. SCHALLER (INFO)

NEA/RA-MR. CHASE (INFO) EUR/RPE-MR. KINNELLY (INFO)

AF/EPS-MR.KENNEY (INFO) ARA/ECP-MR. OLSEN (INFO)

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R 212112Z AUG 73

FM SECSTATE WASHDC

TO AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY CARACAS

AMEMBASSY LONDON

AMEMBASSY THE HAGUE

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY TEL AVIV

AMEMBASSY VIENNA

AMEMBASSY ATHENS

AMEMBASSY TEHRAN

AMEMBASSY LISBON

AMEMBASSY JIDDA

AMEMBASSY PRETORIA

AMEMBASSY MADRID

AMEMBASSY ANKARA

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AMEMBASSY LAGOS

AMEMBASSY KINSHASA
AMEMBASSY DUBLIN
AMEMBASSY MANILA
AMEMBASSY WELLINGTON
AMEMBASSY MEXICO
AMEMBASSY BANGKOK
AMEMBASSY BOGOTA
AMEMBASSY OUAGADOUGOU
AMEMBASSY OSLO
AMEMBASSY SEOUL
AMEMBASSY SAIGON
AMEMBASSY KUALA LUMPUR
AMEMBASSY ACCRA
AMEMBASSY JAKARTA
AMEMBASSY RABAT
INFO AMEMBASSY TAIPEI
USLO PEKING
AMCONSUL HONG KONG

C O N F I D E N T I A L STATE 166065

MANILA FOR US ADB

E.O. 11652: XGDS

TAGS: EFIN, IBRD, IMF, CH

SUBJECT: CHINESE REPRESENTATION IN IMF/IBRD

REF: (A) STATE 140765

(B) STATE 225181, DECEMBER 15, 1971, (SOME ADDRESSEES
SENT REFTEL MARCH 15, 1972, AND MARCH 23, 1972; OTHERS
RECEIVED AS STATE 165047 DATED SEPTEMBER 11, 1972)
(C) STATE 044146, MARCH 13, 1972

1. USG CONTINUES TO STRONGLY SUPPORT REPUBLIC OF CHINA
(ROC) PARTICIPATION IN IMF/IBRD. FROM OUR CONTACTS WITH
NUMEROUS KEY MEMBER GOVERNMENTS OF FUND/BANK LAST YEAR,
WE FOUND WIDESPREAD UNDERSTANDING FOR ARGUMENTS IN FAVOR OF
CONTINUED ROC PARTICIPATION IN THESE INSTITUTIONS. WE SEE
NO CHANGE IN VALIDITY OF THESE ARGUMENTS (REFTEL B), NOR ANY
INCONSISTENCY WITH THE FACT THAT SEVERAL FUND/BANK MEMBERS
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HAVE FURTHER DEVELOPED THEIR BILATERAL RELATIONS WITH
PRC IN THE INTERIM. THE INTERNATIONAL FINANCIAL INSTITU-
TIONS HAVE BEEN FREE OF POLITICAL CONFRONTATION OVER
MEMBERSHIP OR PARTICIPATION MATTERS. THE CHINESE
REPRESENTATION QUESTION WAS NOT RAISED EITHER FORMALLY
OR INFORMALLY AT LAST YEAR'S FUND/BANK ANNUAL MEETING OR AT
THE ASIAN DEVELOPMENT BANK ANNUAL MEETING IN APRIL, 1973.

2. WE ALSO FOUND LAST YEAR THAT MOST KEY MEMBERS HOPED THAT THE CHIREP QUESTION WOULD NOT ARISE IN IMF/IBRD. NEITHER USG NOR IMF/IBRD HAVE INFORMATION THAT PRC IS INTERESTED IN JOINING IMF/IBRD NOR THAT A THIRD COUNTRY IS CONSIDERING A CHALLENGE ON ITS OWN INITIATIVE AT SEPTEMBER ANNUAL MEETING IN NAIROBI. WE MUST, HOWEVER, CONSIDER POSSIBILITY OF A CHALLENGE GIVEN BROAD BASE OF IMF/IBRD MEMBERSHIP AND INCREASED RELATIONS BETWEEN PRC AND IMF/IBRD MEMBER COUNTRIES.

3. WE WOULD LIKE TO KNOW IF HOST GOVERNMENT IS WILLING TO SUPPORT STRATEGY DEVISED LAST YEAR: IF A RESOLUTION IS INTRODUCED TO CHALLENGE ROC PARTICIPATION IN FUND AND BANK AT THE ANNUAL MEETING, AN AMENDMENT WOULD BE PROPOSED REFERRING THE QUESTION TO EXECUTIVE DIRECTORS FOR CONSIDERATION AFTER ANNUAL MEETING. CHIEF ADVANTAGES OF THIS APPROACH ARE THAT IT REMOVES THE ISSUE FROM THE LIMELIGHT OF INTERNATIONAL PUBLICITY AND AVOIDS DIVISIVE POLITICAL DEBATE AT THE ANNUAL MEETINGS WHICH ALREADY HAVE A FULL AGENDA OF SIGNIFICANT ECONOMIC AND FINANCIAL ISSUES. THE BOARDS OF EXECUTIVE DIRECTORS WOULD BE ABLE TO CONSIDER THE QUESTION CONFIDENTIALLY AT LATER DATE. IMF/IBRD MANAGEMENT CONCURS WITH THIS APPROACH.

4. ACTION POSTS SHOULD APPROACH FUND/BANK GOVERNORS OF HOST COUNTRY AND/OR OTHER APPROPRIATE GOVERNMENT OFFICIALS AT DISCRETION OF EMBASSY TO:(A) REITERATE USG POSITION OF SUPPORT FOR CONTINUED ROC PARTICIPATION IN IMF/IBRD AND STRONG DESIRE THAT MATTER NOT BE RAISED; (B) ASCERTAIN HOST GOVERNMENT SUPPORT FOR ABOVE STRATEGY IN CASE OF CHALLENGE; (C) DISCERN SIGNIFICANT CHANGES IN HOST GOVERNMENT ATTITUDES ON CHIREP QUESTION OR ANY INFORMATION THEY MAY HAVE ON OTHER MEMBER GOVERNMENT

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ATTITUDES OR POSSIBILITY OF CHALLENGE. APPROACH SHOULD BE MADE AS A LOW-KEY BUT EMPHATIC REVIEW OF USG POSITION AND STRATEGY IN CASE OF CHALLENGE. EMBASSY MAY DRAW UPON REFTELS FOR BACKGROUND INFORMATION AND DISCUSSION OF REASONS FOR CONTINUED ROC PARTICIPATION IN FUND/BANK.

5. EMBASSIES SHOULD REPORT HOST GOVERNMENT REACTIONS AND CURRENT THINKING ON SUBJECT ASAP. ROGERS

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30 JUN 2005

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